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THE

LIVESTOCK

JAN. 1, 1951

Livestock and Meat SITUATION

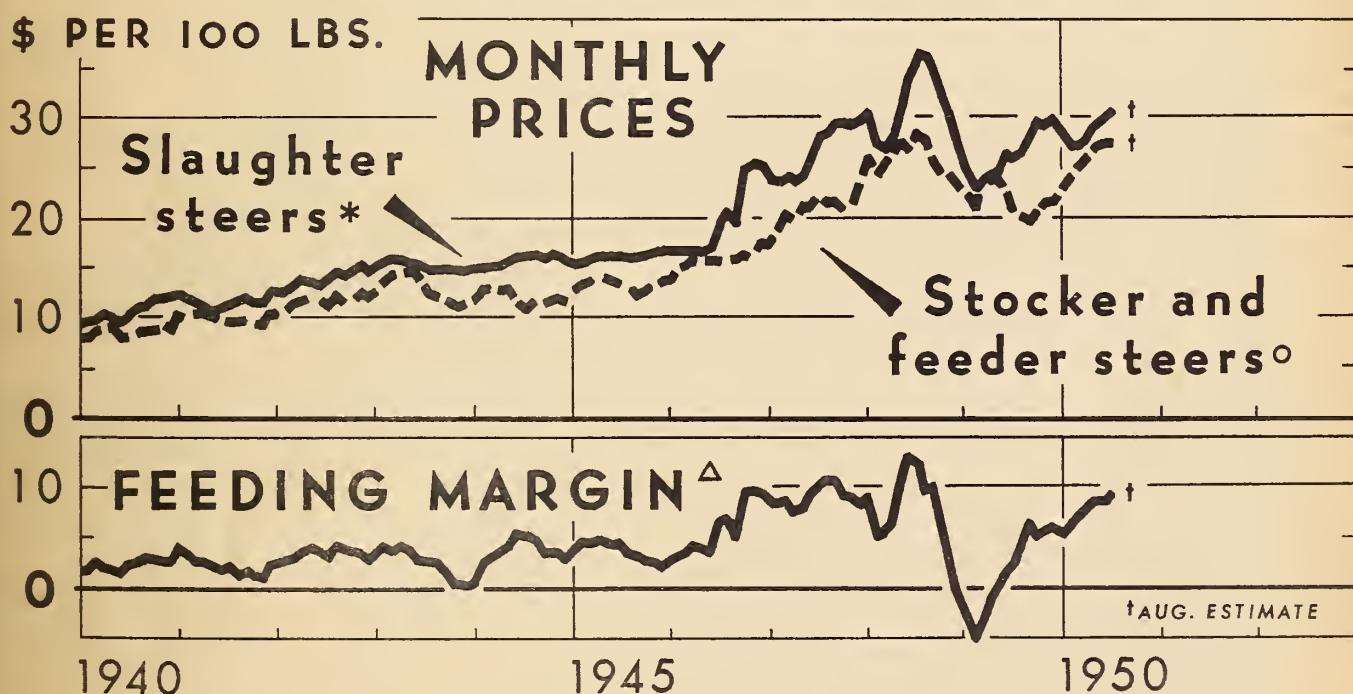
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LMS-42

BAE

AUGUST 1950

MARKET PRICES AND FEEDING MARGIN FOR CATTLE



*GOOD GRADE AT CHICAGO

O AVERAGE OF ALL GRADES AT CHICAGO

△ DIFFERENCE BETWEEN PRICES OF SLAUGHTER STEERS AND PRICES
OF STOCKERS AND FEEDERS 7 MONTHS EARLIER

U. S. DEPARTMENT OF AGRICULTURE

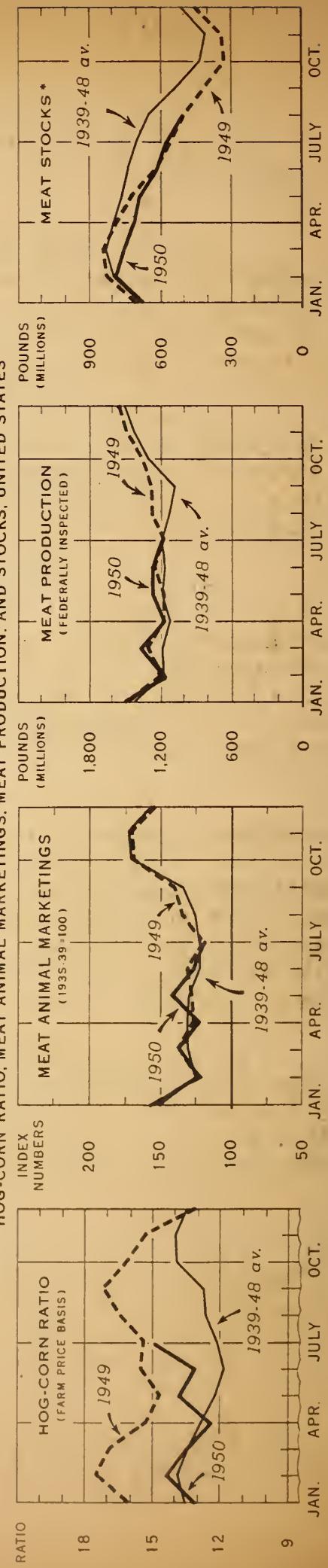
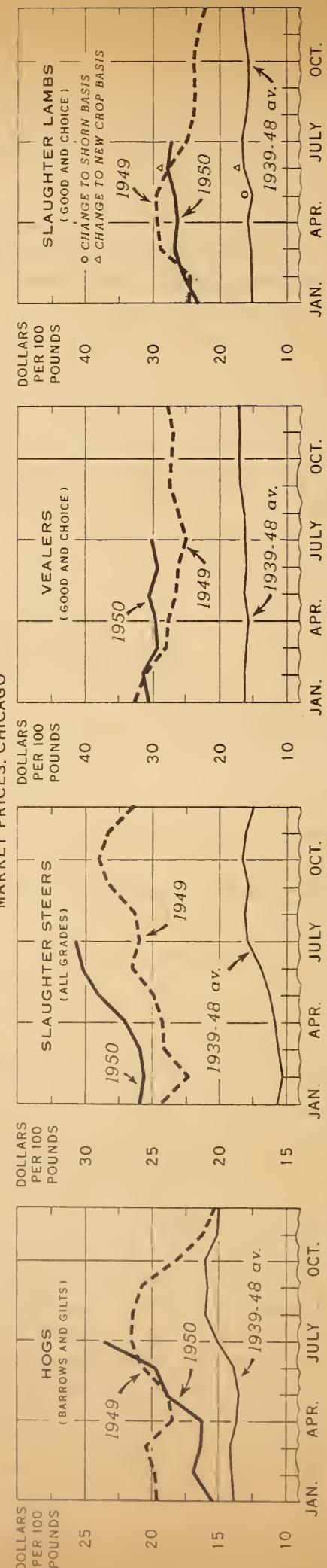
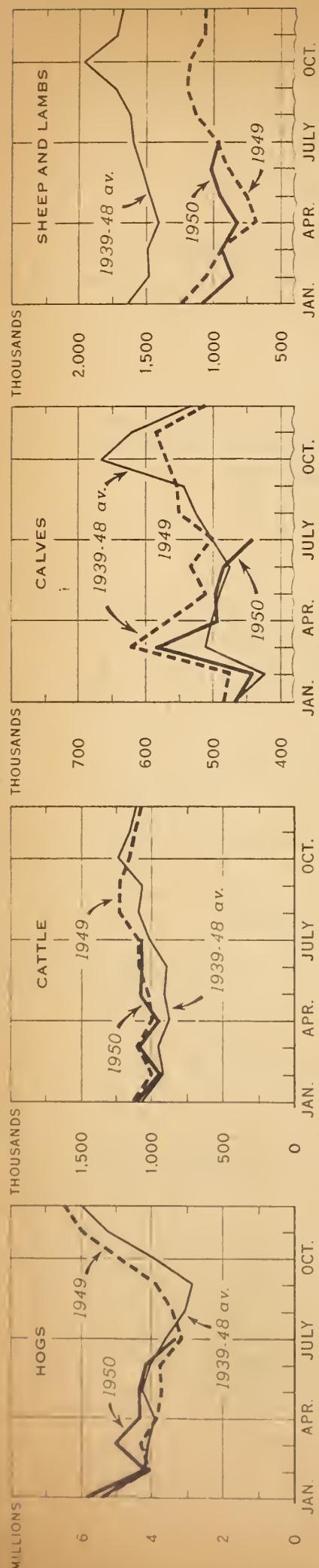
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Feeding margins for cattle bought last summer or fall and sold this year were much wider than the small or negative price margins of a year previously. Purchase prices for the feeders were lower, while prices of slaughter cattle in 1950 have been consistently higher than in 1949.

Prices of feeder cattle have advanced steadily since last December. At Kansas City in July, stocker and feeder steers averaged \$7.00 per 100 pounds higher than in July 1949, and

within \$1.00 of the all-time record. Larger marketings of fed cattle expected this fall than last may bring a moderate decline in slaughter cattle prices, and feeding margins may narrow markedly. Nevertheless, an unusually strong demand, bolstered by defense expenditures, may give enough support to slaughter cattle prices to provide profitable returns to the efficient feeder.

LIVESTOCK AND MEAT SITUATION



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THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, August 24, 1950

SUMMARY

Prices of hogs are expected to decline seasonally this fall as marketings increase, but to be higher than last fall. Prices of both grass and fed cattle may decline moderately during the early fall because of increased marketings, but probably will make some recovery later in the year or early in 1951.

Prices of hogs were steady in August, continuing near their highest point for the year to date. Prices of cattle eased off somewhat from their July peak. Prices for all reported grades and classes of meat animals this August were higher than a year earlier, but with few exceptions they were below the very high prices two years earlier.

The percentage increase this spring and summer in the retail value of meat consumed was fully as great as that in consumers' incomes, indicating that demand for meat has increased substantially. Demand is stronger than it was a year ago. As defense expenditures are expanded this fall and winter consumer incomes are expected to rise and demand for meat will be increased further. The seasonal declines in prices of meats and meat animals this fall may be less than usual.

Meat production this summer was a little larger than last summer. A larger output of pork made the difference. Meat production this fall also will exceed that of last fall. There will be more beef as well as more pork. Meat consumption per person in the October-December quarter may be up about one pound from the 37.3 pounds consumed in that quarter of 1949. Since consumption per person in the first 3 quarters will total almost as much as a year earlier, the figure for all of 1950 will probably exceed slightly the 144 pounds consumed in 1949.

Sheep and lamb slaughter in early 1950 was below a year earlier but from March through June was larger than last year. In July it again dropped below the 1949 level, and it is likely to continue smaller the rest of this year. The 1950 lamb crop is estimated as 18.4 million head, 2 percent fewer than were saved in 1949.

Prices of feeder cattle during June-August averaged about \$6.00 per 100 pounds higher than a year earlier and very close to all-time highs. Returns to farmers on feeders purchased at these high levels will be equal to or above those of recent years only if these cattle are sold at prices higher than they were in the first half of 1950. Whether such a level prevails will depend largely, in the absence of price controls, on the extent of demand for beef in the next 6-12 months.

Shorn wool production of 218 million pounds in 1950 is a slight gain from 1949. The 1950 clip is one-third below the 1939-48 average.

REVIEW AND OUTLOOK

August Prices Higher Than
Last Year but Below 1948

During August, prices of hogs were steady, holding close to their highest point reached this year, but prices of cattle eased off from their earlier peaks. Prices of lambs did not change much in August. August prices of all grades and classes of meat animals were without exception above the late-summer prices of last year. For veal calves, Common grade slaughter steers and possibly the lowest grades of cows, prices this August were above those two years earlier and were record-highs for the month. Hog prices were still below August 1948 prices, but for all other grades and classes of meat animals August prices were almost as high as in the summer of 1948.

Prices of barrows and gilts at Chicago varied about a level of \$23.00-\$24.00 per 100 pounds in July and early August. The Average of \$23.62 the week ended August 19 was \$3.36 above the price a year earlier. However, it was short by \$6.28 of the \$29.90 average for the corresponding week in August 1948.

Prices of sows advanced moderately as market receipts decreased seasonally. Chicago prices the week of August 19 were \$3.20 per 100 pounds above the average for the same week last year.

Less Seasonal Widening of
Cattle Prices This Summer

Prices of cattle were strong throughout the summer, although declining moderately in early August. There has been more stability than usual in prices of both top and lower grades. Ordinarily, prices of top grades advance during the summer months and those of the lower grades decline. Chicago prices of Prime and Choice slaughter steers were comparatively steady from May to August, and the Good grade showed little net change over the period, as an advance of \$1.00 per 100 pounds was followed by an equal decline. Prices of Common grade slaughter steers for the week ended August 17 had fallen only \$2.33 from their peak in early June.

Thus, the price spread between grades has widened more slowly than usual this summer, and in July and August it was somewhat narrower than a year earlier and much narrower than two years earlier. In the first half of 1950, the spread between Choice and Common grades had been wider than in the same period last year (table 1).

Demand for top grade cattle was not strong enough to bring about a seasonal rise in prices comparable to 1948 or 1949. The comparatively small decline in prices of lower grades is attributed to active demand for feeder cattle combined with the limited supply due to delayed marketings off range.

Table 1.- Spread between prices of Choice and Common slaughter steers at Chicago, by months, 1949-50

Month	1950			1949		
	Price per 100 pounds :		Price per 100 pounds :	Choice :		Price per 100 pounds :
	Choice :	and	Common	per 100	and	Common
	Prime	steers	steers	pounds	Prime	steers
	steers	:	:	pounds	steers	:
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Jan.	36.80	20.44	16.36	29.41	20.49	8.92
Feb.	34.70	21.55	13.15	25.61	18.39	7.22
Mar.	32.24	22.13	10.11	25.88	21.21	4.67
Apr.	30.94	22.99	7.95	25.81	21.22	4.59
May	31.34	24.44	6.90	26.12	22.07	4.05
June	31.34	24.68	6.66	27.51	21.26	6.25
July	31.63	24.16	7.47	27.02	19.27	7.75
Aug.	1/31.21	1/23.60	1/7.61	28.01	18.20	9.81
Sept.				31.33	17.83	13.50
Oct.				34.27	18.48	15.79
Nov.				36.25	19.02	17.23
Dec.				37.77	19.23	18.54

1/ Average, 3 weeks ended August 17.

Calf, Lamb Prices Above 1949

Prices of veal calves were steady during the summer at a level substantially above a year previously and close to their record high established in January 1949. Slaughter supplies of calves have been smaller this year than in 1949, as an increasing number have been held on farms and ranches for adding to herds or for feeding.

Prices of lambs were also fairly stable this summer, in contrast with their sharp decline in the summer of 1949. In August they averaged moderately higher than a year earlier. Trends in sheep and lamb slaughter have likewise varied from last year, largely accounting for the different price trends. In 1949, the number slaughtered was unusually small in the spring, then increased rapidly during the summer. This year, slaughter in the spring months was larger than a year earlier, and the summer increase was more moderate. By July, the number slaughtered was slightly smaller than in July last year.

Meat Production Holds Slightly Above Last Year

Commercial meat production in the April-June quarter was up 200 million pounds or 4 percent from the same quarter of last year, and apparently continued a little larger than last year in July. Production in August may total about the same as last August (table 2).

Table 2.- Commercial meat production, United States, by quarter-years
1946 to second quarter 1950

Year	All meats				Year
	January-March	April-June	July-September	October-December	
	Million pounds	Million pounds	Million pounds	Million pounds	
1946	5,839	4,440	4,409	5,831	20,519
1947	5,419	5,008	4,840	5,912	21,179
1948	5,002	4,613	4,258	5,430	19,303
1949	5,020	4,537	4,704	5,453	19,714
1950	5,072	4,737			
	Beef				
1946	2,479	1,800	2,191	2,540	9,010
1947	2,542	2,481	2,493	2,580	10,096
1948	2,245	2,083	2,159	2,279	8,766
1949	2,270	2,233	2,399	2,240	9,142
1950	2,234	2,221			
	Veal				
1946	278	252	376	423	1,329
1947	310	336	421	426	1,493
1948	292	316	364	351	1,323
1949	271	286	347	336	1,240
1950	263	278			
	Lamb and mutton				
1946	280	223	212	231	946
1947	198	190	182	209	779
1948	185	158	182	203	728
1949	158	114	154	161	587
1950	151	139			
	Pork excluding lard				
1946	2,802	2,165	1,630	2,637	9,234
1947	2,369	2,001	1,744	2,697	8,811
1948	2,280	2,056	1,553	2,597	8,486
1949	2,321	1,904	1,804	2,716	8,745
1950	2,434	2,099			

Cattle slaughter and beef production increased seasonally beginning in mid-July. However, through mid-August slaughter numbers of each kind remained smaller than a year before. Marketings of fed cattle were especially large in August last year, but this year the peak is expected later. Marketings of cattle off grass are also later this year than last.

Table 3.- Federally inspected slaughter of hogs, by months,
January 1948 to date

Date	Total hogs	Barrows	Sows	Sows as percent of all hogs
		and gilt	1,000 head	Percent
	1,000 head	1,000 head	1,000 head	Percent
<u>1948</u>				
Jan.	5,223	4,743	460	8.8
Feb.	3,746	3,446	285	7.6
Mar.	3,574	3,399	161	4.5
Apr.	3,343	3,229	97	2.9
May	3,562	3,295	242	6.8
June	4,235	3,528	678	16.0
July	3,044	2,037	968	31.8
Aug.	2,440	1,571	839	34.4
Sept.	2,836	2,226	581	20.5
Oct.	4,098	3,606	426	10.4
Nov.	5,425	4,823	586	10.8
Dec.	6,089	5,590	463	7.6
<u>1949</u>				
Jan.	5,377	4,952	409	7.6
Feb.	4,080	3,729	335	8.2
Mar.	4,315	3,922	375	8.7
Apr.	3,894	3,489	385	9.9
May	3,721	3,171	532	14.3
June	3,745	2,678	1,037	27.7
July	3,165	1,861	1,279	40.4
Aug.	3,417	2,232	1,155	33.8
Sept.	3,879	3,189	656	16.9
Oct.	4,959	4,389	531	10.7
Nov.	6,003	5,355	612	10.2
Dec.	6,477	5,752	700	10.8
<u>1950</u>				
Jan.	5,844	5,248	579	9.9
Feb.	4,191	3,747	423	10.1
Mar.	5,020	4,563	432	8.6
Apr.	4,316	3,833	458	10.6
May	4,338	3,644	638	14.7
June	4,154	2,995	1,134	27.3
July	3,315	2,032	1,250	37.7

More hogs were slaughtered this summer than last, producing a larger supply of pork. However, market receipts of hogs decreased in August and at the middle of the month were no larger than a year earlier. By mid-August, a few barrows and gilts from the 1950 spring pig crop arrived at markets, adding to those still being marketed from the 1949 fall crop. In August, sow marketings decreased in number and as a proportion of all hogs. The season's high for marketings of sows came earlier than usual again this year.

Seasonally Larger Slaughter,
Lower Prices Expected

A seasonally-increasing supply of most kinds of meat animals will probably bring some reductions in prices this fall but the size of reductions probably will be tempered by increasing demand for meat.

Largest gain in supplies, and sharpest price decline, will be in hogs. In almost all past years, hog marketings increased to a seasonal peak in December. The price decline from early fall to December has averaged 18-20 percent.

Similar trends are expected this year. Total numbers of hogs marketed and the quantity of pork produced during the rest of the year are expected to be larger than in 1949. The 1950 spring pig crop, source of fall marketings, was 3 percent larger than the 1949 spring crop. The increase in numbers will probably result in a corresponding increase in pork produced, since slaughter weights are expected to average close to those of last fall. Pork yields per 100 pounds live weight are also likely to be close to last year.

Beginning with the week ending July 29, the weight of barrows and gilts received at 7 leading mid-west markets averaged as heavy or heavier than in the same weeks 12 months earlier -- the first time in about a year. This has been true. In the remaining months of 1950 moderately higher prices than last fall and perhaps a little smaller seasonal decline in price will probably hold weights up to or above the year-ago average. Price discounts for heavier hogs are usually less during October-November, whereas discounts for light hogs are usually greater in September than in other months of the year.

Very high industrial activity coupled with increasing defense expenditures is expected to maintain a stronger demand for pork and for all meats than prevailed in late 1949. Due to a stronger demand hog prices are currently above those at the same time last year, and may continue moderately higher than in 1949.

Cattle Slaughter to be Larger
in September-October

Considerably more fed cattle will be marketed in September-October this year than last. Numbers of grass cattle slaughtered in those months are likely to be close to those of a year earlier. Consequently, total cattle slaughter will probably be larger. Slaughter will continue a seasonal uptrend in September instead of declining as it did in 1949.

Prices of top grades of cattle thus are not likely to increase sharply as they did beginning in September last year. On the other hand, because of strong demand for meat no great decline is expected. The most likely prospect is that prices of well-finished steers will soften moderately when receipts are largest, but will be steady or possibly slowly rising near the end of the year.

Prices of the lower grades of slaughter cattle and of feeder and stocker steers may weaken somewhat further when range marketings are at their seasonal high in early fall, but no sharp break is expected despite their present very high level. Stocker and feeder prices are high in comparison with prices of other years, and in relation to current prices of slaughter cattle.

If these price prospects prove true, the price spread between top and lower grades will continue fairly constant during the second half of 1950 and may not show the successive widening and narrowing characteristic of most years.

Prospects for large marketings of grain-fed cattle in early fall are based on statistics of shipments to date in 1950, and on farmers' intentions reported as of July 1. Slightly more cattle were on feed last January than in the same date in 1949. In each month from January to June, more stocker and feeder cattle were received in 8 Corn Belt States than in the same month of 1949. Meanwhile, cattle slaughter averaged slightly smaller. Consequently, on July 1 the number of cattle on feed in the Corn Belt was 34 percent higher than a year before.

Feeders in the Corn Belt planned to market in August and September more than one-half of the cattle on feed in the Corn Belt July 1. These intentions would raise September marketings to well above those last September.

In the first half of 1950, cows slaughtered under Federal inspection averaged heavier, but steers lighter, than a year before. Lighter weights for steers were consistent with the poorer finish and lower grade at which they were marketed in the first 6 months this year. This summer, however, the number of top-grade steers marketed increased rapidly, and steer weights averaged heavier than a year earlier. Weights of fed cattle are likely to continue heavy throughout the fall. Although present price relationships between grades do not encourage carrying cattle to extremely high finish, the confidence in market demand together with recollections of the premium prices for top grades late in 1949 will probably result in heavy average weights in months ahead.

Sheep and Lamb Slaughter in the Rest
of 1950 to be Below 1949; 1950 Lamb
Crop 2 Percent Smaller

Fewer sheep and lambs are likely to be slaughtered the rest of this year than in the same period of 1949. Larger slaughter in March-June this year than last reflected partly the slightly larger early lamb crop this year. The total crop, however, is down from last year, indicating fewer lambs for slaughter in late months than a year earlier.

Sheep and lamb slaughter for all of 1950 will be less than in 1949. The reduction may be large enough to hold inventory numbers constant. It is possible that the numbers reported on farms and ranches next January will be about equal to those last January, ending the decline that began in 1942.

The 1950 lamb crop is estimated as 18,431,000 head, 2 percent fewer than last year. This crop is the smallest in 26 years of record; but the decrease this year is less than in any year since 1942. The smaller 1950 lamb crop is due to a reduction in number of breeding ewes. The percentage crop (number of lambs saved per 100 ewes one year old or older on farms January 1) was higher this year than last.

Almost all this year's reduction in lambs saved was in the total for the Native (eastern) States, since the western crop was almost unchanged from last year. Ewe numbers were down about equally in both regions, but the percentage crop was lower in the East and higher in the West this year than last. The improved percentage crop in the West was accounted for chiefly by a record 78.0 percent crop in Texas, which brought a 7 percent increase in that State's crop from 3 percent fewer ewes.

Meat Consumption Per Person in
Fourth Quarter to Surpass Last Year

Supplies of meat in the October-December quarter are expected to be enough larger than a year earlier to provide around 1 pound per person more than the 37.3 pounds consumed in the same quarter last year. This would be the first material increase in consumption per person this year. In each of the first 2 quarters the consumption rate was little different from the same 1949 quarter. The consumption rate in the third quarter will also total not much different from last year. The 1950 total consumption per person may exceed slightly the 1949 total of 144 pounds.

Demand for Meat Up Sharply
Since Early in Year

Generally rising prices of meat since early spring reflect stronger demand than last year. Personal incomes of consumers have increased considerably in 1950. Demand and prices for meat did not respond to this increased income until early April.

Data on retail value of meat consumption indicate that demand for meat has increased fully as much percentagewise as have incomes. In the second quarter of 1950, the average retail price of beef was almost 10 percent higher than in the same 1949 quarter, and the highest since 1948. The price of pork was down only 5 percent from the second quarter of last year. Total meat consumption during the second quarter of 1950 was the same as a year earlier. Increased consumption of pork and lamb offset reductions for beef and veal. The index of retail value of meat consumption (seasonally adjusted) for the second quarter was 266 (1935-39=100), 11 points higher than a year earlier and the highest since the summer of 1948. Since personal disposable incomes were up only 4 points, demand for meat apparently was stronger relative to incomes than it was in the same quarter of 1949 (table 4).

Table 4.- Retail value of meat consumed compared with disposable personal income, seasonally adjusted, by quarter-year, 1949 to date

All meat

Quarter year	Actual values		Adjusted for seasonal variation		Index number 1935-39=100	
	Civilian con- sumption per capita	Average retail price per pound 1/	Con- sumption per capita	Retail price per pound	Retail value of consumption per capita 2/	Disposable personal income per capita
	Pounds	Cents	Pounds	Cents	Percent	Percent
<u>1949</u>						
Jan.-Mar.	37.1	---	36.0	---	244	250
Apr.-June	34.9	---	37.2	---	255	246
July-Sept.	34.6	---	36.9	---	250	241
Oct.-Dec.	37.3	---	33.8	---	223	242
Year	143.9	---	143.9	---	243	245
<u>1950</u>						
Jan.-Mar.	37.3	---	36.0	---	237	255
Apr.-June	35.3	---	37.9	---	266	250
	Beef					
<u>1949</u>						
Jan.-Mar.	16.0	64.0	15.8	65.2	257	250
Apr.-June	16.0	65.7	17.3	66.2	286	246
July-Sept.	16.4	68.2	16.3	66.4	270	241
Oct.-Dec.	15.1	69.3	14.1	69.4	243	242
Year	63.5	66.8	63.5	66.8	264	245
<u>1950</u>						
Jan.-Mar.	15.6	67.2	15.4	68.4	263	255
Apr.-June	15.7	71.9	17.1	72.4	308	250
	Pork, excluding lard					
<u>1949</u>						
Jan.-Mar.	17.9	47.0	16.6	48.4	236	250
Apr.-June	16.1	47.4	16.7	48.2	235	246
July-Sept.	14.8	49.4	17.4	47.6	242	241
Oct.-Dec.	18.8	43.9	16.9	43.6	215	242
Year	67.6	46.9	67.6	46.9	232	245
<u>1950</u>						
Jan.-Mar.	18.8	41.7	17.4	42.9	219	255
Apr.-June	16.8	44.8	17.5	45.5	234	250

1/ Weighted U. S. average retail price for important cuts.

2/ Computed from estimated retail weight equivalent of consumption. Because much meat is delivered through other than retail channels, this is not consumer expenditure for meat.

Preliminary data for July and August indicate that demand is continuing very strong, both in absolute terms and in relation to incomes.

Since demand apparently has already adjusted to a large degree to the current and anticipated rise in expenditures, no further surge sufficient to prevent seasonal declines in prices seems likely for this fall. If the defense programs expand materially this winter and next spring, as seems likely, demand for meat can be expected to increase accordingly.

Stocker and Feeder Prices Near Record
High; Feeding Profits to Depend on
Higher Slaughter Prices in 1951
Than in 1950

Raising and feeding of cattle involves large investment and much speculative risk. A particularly long period is required for a current investment to bring returns. Cattle feeding is a shorter-run risk, but nevertheless very speculative.

Except when grain or range feed supplies are limiting factors, the demand and prices for breeding and feeding stock represent to large degree the appraisal of cattlemen of future trends. Just after the war prices for breeding and feeder stock were high by earlier standards, but producers were usually more than repaid as prices of slaughter cattle continued high, despite occasional declines. The summer of 1948 was the only period since 1938 when prices paid for feeder stock resulted in very small or negative price margins for cattle sold 6 to 9 months after purchase.

There has been a growing optimism in the cattle business in 1950. From January through June, combined slaughter of cows and heifers was the same as a year earlier and except for 1946 was smaller than in those 6 months of any year since 1943. This year prices of cows and heifers for breeding have been near the record levels of 1949. Prices of stocker and feeder cattle advanced nearly \$5.00 per 100 pounds from January to June. They declined only slightly during the summer, the season of a usual reduction. The average price for all sales of stocker and feeder steers at Kansas City in July was \$27.48 per 100 pounds, within \$1.00 of the all-time record average set in 1948. The July stocker and feeder price at Kansas City was only \$3.00 less than the July price of Good grade slaughter steers at Chicago. This is the narrowest spread between feeder and slaughter prices for any July since the war. Ordinarily, the spread is seasonally wide in that month.

Purchasers of stocker and feeder cattle this spring and summer have been counting on a strong demand and high prices for slaughter cattle at the time their cattle will be ready for market. The recent strengthening of demand for meat and for slaughter cattle has been in line with their expectation. Whether feeders realize good returns on their present high cost investments will depend largely on whether demand for meat once again provides a very strong market for slaughter cattle at the time of marketing. Returns on this summer's purchases can be equal to or larger than in recent years only if prices of slaughter steers this coming winter and next spring are no lower than now, and several dollars higher than in the first part of 1950.

Present prospects are that prices of grain-fed slaughter cattle in the first half of 1951 may be high enough to provide average returns to efficient feeders. It seems rather unlikely, however, that feeding margins will be as large as the largest obtained in recent years.

Table 5.- Price of Good grade slaughter steers at Chicago and of stocker and feeder steers at Kansas City, and 7 months lagged margin, by months, 1941 to date

(Data for cover page)

Year and month	Price per 100 pounds		Margin between slaughter steers, and stockers and feeders	Year and month	Price per 100 pounds		Margin between slaughter steers, and stockers and feeders
	Good grade slaughter steers, Chicago	Stocker and feeder steers, Kansas City			Good grade slaughter steers, Chicago	Stocker and feeder steers, Kansas City	
	Dollars	Dollars	Dollars		Dollars	Dollars	Dollars
1941				1946			
Jan.	12.21	10.16	4.16	Jan.	16.51	13.56	2.78
Feb.	11.64	10.00	3.55	Feb.	16.36	14.71	2.82
Mar.	11.12	10.29	2.59	Mar.	16.37	15.22	3.29
Apr.	11.07	10.33	2.66	Apr.	16.46	15.86	4.21
May	10.54	10.06	2.02	May	16.55	15.82	3.93
June	10.74	9.90	1.93	June	16.98	15.72	3.79
July	11.11	9.59	2.35	July	19.86	15.53	6.45
Aug.	11.58	9.79	1.42	Aug.	20.73	15.51	7.17
Sept.	11.56	9.98	1.56	Sept.	19.58	15.99	4.87
Oct.	11.36	9.53	1.07	Oct.	24.97	16.42	9.75
Nov.	11.24	9.35	0.91	Nov.	25.63	16.30	9.77
Dec.	12.41	10.46	2.35	Dec.	25.22	17.63	9.46
1942				1947			
Jan.	12.54	10.57	2.64	Jan.	23.93	17.68	8.21
Feb.	12.47	10.69	2.88	Feb.	23.79	18.96	8.26
Mar.	13.03	11.47	3.24	Mar.	24.05	20.13	8.54
Apr.	13.83	11.93	3.85	Apr.	23.45	19.91	7.46
May	13.65	12.00	4.12	May	24.22	21.33	7.80
June	13.12	11.83	3.77	June	25.72	21.11	9.42
July	13.75	11.09	3.29	July	27.64	21.91	10.01
Aug.	14.87	12.06	4.30	Aug.	28.27	21.22	10.59
Sept.	14.63	11.64	3.94	Sept.	29.43	21.65	10.47
Oct.	15.07	11.83	3.60	Oct.	29.55	20.96	9.42
Nov.	15.40	12.62	3.47	Nov.	29.12	21.32	9.21
Dec.	14.90	12.24	2.90	Dec.	29.62	23.59	8.29
1943				1948			
Jan.	15.05	12.67	3.22	Jan.	30.36	26.81	9.25
Feb.	15.53	13.48	4.44	Feb.	27.10	24.15	5.19
Mar.	15.92	14.49	3.87	Mar.	26.92	25.57	5.70
Apr.	15.91	14.58	4.27	Apr.	28.17	26.62	6.52
May	15.59	14.60	3.76	May	30.91	27.60	9.95
June	15.50	14.38	2.88	June	34.85	26.96	13.53
July	15.06	12.48	2.82	July	36.44	28.25	12.85
Aug.	15.29	12.17	2.62	Aug.	36.02	27.40	9.71
Sept.	15.27	11.81	1.79	Sept.	34.49	25.42	10.34
Oct.	14.92	11.36	0.43	Oct.	32.24	24.41	6.67
Nov.	14.98	10.97	0.40	Nov.	30.68	24.52	4.06
Dec.	14.89	11.29	0.29	Dec.	27.82	23.26	0.22
1944				1949			
Jan.	15.00	11.60	0.62	Jan.	24.72	22.15	-2.24
Feb.	15.12	12.95	2.64	Feb.	22.99	21.25	-5.26
Mar.	15.23	13.08	3.06	Mar.	24.19	24.37	-3.21
Apr.	15.33	12.76	3.52	Apr.	24.37	23.66	-1.05
May	15.73	12.84	4.37	May	24.92	24.02	0.51
June	16.23	11.65	5.26	June	26.37	22.53	1.85
July	16.35	10.93	5.06	July	25.96	20.62	2.70
Aug.	16.42	11.50	4.82	Aug.	26.50	20.06	4.35
Sept.	16.26	11.34	3.31	Sept.	28.22	19.74	6.97
Oct.	16.56	11.50	3.50	Oct.	29.63	20.57	5.26
Nov.	16.27	11.96	3.51	Nov.	29.35	21.45	5.69
Dec.	15.62	11.49	2.78	Dec.	29.91	21.44	5.89
1945				1950			
Jan.	15.35	12.40	3.70	Jan.	28.14	22.94	5.61
Feb.	15.42	13.00	4.49	Feb.	27.19	24.13	6.57
Mar.	15.81	13.60	4.31	Mar.	27.33	25.32	7.27
Apr.	16.11	13.90	4.77	Apr.	27.66	25.79	7.92
May	16.16	14.23	4.66	May	29.19	27.19	8.62
June	16.16	13.73	4.20	June	29.99	27.44	8.54
July	16.17	13.54	4.68	July	30.62	27.48	9.18
Aug.	15.98	13.08	3.58				
Sept.	16.15	12.25	3.15				
Oct.	16.45	12.62	2.85				
Nov.	16.56	13.19	2.66				
Dec.	16.45	13.41	2.22				

1/ Margin between prices of Good grade slaughter steers at Chicago for current month shown and of stocker and feeder steers at Kansas City 7 months previously.

Price Control Would Affect
Returns from Feeding

Price controls are most likely if general commodity prices should advance sharply. Meat and meat animal prices, which usually lead general price movements, would most likely be among the consumer items controlled. It is therefore also reasonable to assume that a large price advance for cattle, and unusually wide feeding margins, are the least likely prospect.

Cattle feeding this fall will be favored by a near-record supply of feed concentrates -- 180.3 million tons as compared with 180.9 million tons last year. A corn crop of 3,168 million bushels was indicated on August 1 -- a large crop although less than last year's. The hay supply will also be ample. Prices of feed in the coming feeding season are likely to continue above prices in the year now ending. The corn price is likely to be closer to the loan rate this fall than last. However, the cattle-feed price ratio will probably be favorable for cattle feeding.

It is possible that numbers of cattle available for feeding will be no larger this year than last. The supply of young stock is large. More calves were on farms January 1, 1950 than a year earlier, the 1950 calf crop is probably as large as last year's. Cattle slaughter has been slightly smaller, and calf slaughter materially smaller, than in 1949. Despite the larger number on hand, however, the number available for feeding may be reduced if cattlemen retain large numbers of young stock for adding to herds. It appears likely that, as was the case last year, a larger than usual part of the demand for feeders this fall will have to be met with calves, older stock and feeders of lower quality.

In July and August, fewer feeders and stockers were shipped from 5 markets than a year earlier. In all previous months, shipments from those markets were larger than in the same months of 1949. The smaller July-August numbers this year are probably due to a delay in marketings off range, and do not necessarily indicate that total shipments for the season will be smaller than last year.

1950 Wool Production Up
Slightly From 1949

Shorn wool production of 218 million pounds in 1950 is slightly larger than last year's clip of 217 million pounds. This is the first increase in wool production since 1942. This increase is due to a heavier average weight per fleece, since farmers and ranchers sheared fewer sheep this year than last. The 1950 production is one-third below the 1939-48 average.

Cash Receipts From Meat Animals
Below 1949 in First 6 Months,
Above in July-August

Farmers' cash receipts from marketings of meat animals in the first 6 months of 1950 are estimated at 3.9 billion dollars, 2 percent less than a year earlier. Receipts in July were about 20 percent larger than a year ago, due mainly to higher prices. Receipts in August probably will total larger than in July as marketings increase seasonally and as prices continue relatively steady, and will be somewhat larger than in August last year.

1949 World Meat Production Up
5 Percent From 1948, and
Slightly Above 1934-38

Meat production in the principal livestock producing countries of the world, exclusive of the Far East, is estimated at 68.3 billion pounds in 1949, 5 percent above 1948 production and slightly above the 1934-38 average. Livestock prospects for 1950 are favorable and indicate that meat production may be increased this year. The largest 1950 increase can be expected to occur in Europe and the Soviet Union where production is estimated to be still below prewar levels.

Production of beef and veal comprised over half of the total world meat production in 1949, a slightly larger proportion than prewar. The strong demand and favorable growing conditions in most countries in 1949 led to simultaneous increases in both livestock numbers and meat production.

Drought conditions in Argentina and Uruguay have caused some liquidation of livestock numbers. Consequently meat production in Uruguay increased substantially in 1949 while the output in Argentina dropped due to cattle being marketed at lower weights.

NEW OR REVISED SERIES

Table 6 extends a table on exports and imports of meat previously carried in this Situation. It contains data in terms of carcass weight equivalent by quarters for the last two fiscal years. Exports of meat were larger in the 1949-50 year than in 1948-49. Imports were smaller in 1949-50 than the previous year. In the first two quarters of 1950 imports increased somewhat over the same two quarters of 1949, but were short of those in the last half of 1948. United States foreign trade in meat is small relative to total domestic production.

Table 6.- United States foreign trade in meat, by quarter-years, fiscal years 1949 and 1950

Item	Carcass weight equivalent											
	Exports and shipments to Territories 1/						Imports					
	1948-49			1949-50			1948-49			1949-50		
	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June	Year	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June	Year	July- Sept.	Oct.- Dec.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
<u>Beef</u>												
Commercial exports	5.6	3.7	3.8	5.2	18.3	6.6	5.4	3.3	5.3	20.6		
Commercial shipments to Puerto :												
Rico and Virgin Islands 2/ ...	1.0	1.9	1.2	1.4	5.5	1.8	1.3	1.8	1.5	6.4		
USDA exports and shipments	0	0	0	0	0	0	0	0	0	0		
Total	6.6	5.6	5.0	6.6	23.8	8.4	6.7	5.1	6.8	27.0		
<u>Veal</u>												
Commercial exports	0.2	0.6	0.3	0.4	1.5	0.7	0.6	0.2	0.7	2.2		
Commercial shipments to Puerto :												
Rico and Virgin Islands 2/ ...	0.1	0.1	3/	0.1	0.3	0.1	0.1	0.1	0.1	0.4		
USDA exports and shipments	0	0	0	0	0	0	0	0	0	0		
Total	0.3	0.7	0.3	0.5	1.8	0.8	0.7	0.3	0.8	2.6		
<u>Lamb and mutton</u>												
Commercial exports	0.2	1.0	0.4	0.5	2.1	0.6	0.7	0.2	0.7	2.2		
Commercial shipments to Puerto :												
Rico and Virgin Islands 2/ ...	0.1	3/	3/	0.1	0.2	0.1	3/	0.1	3/	0.2		
USDA exports and shipments	0	0	0	0	0	0	0	0	0	0		
Total	0.3	1.0	0.4	0.6	2.3	0.7	0.7	0.3	0.7	2.4		
<u>Pork excluding lard</u>												
Commercial exports	8.4	8.5	10.7	19.3	44.9	19.5	14.2	16.1	16.7	66.5		
Commercial shipments to Puerto :												
Rico and Virgin Islands 2/ ...	5.7	9.2	8.7	9.1	32.7	9.5	8.6	13.0	11.0	42.1		
USDA exports and shipments	0	0	0	4.4	4.4	0	0	0	0	0		
Total	12.1	17.7	19.4	32.8	82.0	29.0	22.8	29.1	27.7	108.6		
<u>All meat</u>												
Commercial exports	12.4	15.8	15.2	25.4	66.8	27.4	20.9	19.8	23.4	91.5		
Commercial shipments to Puerto :												
Rico and Virgin Islands 2/ ...	6.9	11.2	9.9	10.7	38.7	11.5	10.0	15.0	12.6	49.1		
USDA exports and shipments	0	0	0	4.4	4.4	0	0	0	0	0		
Total	19.3	25.0	25.1	40.5	109.9	38.9	30.9	34.8	36.0	140.6		
	Imports											
Beef	114.6	126.1	52.6	38.7	332.0	78.2	58.7	54.9	68.6	260.4		
Veal	1.9	3.1	0.3	1.1	6.4	2.2	3.3	0.7	4.2	10.4		
Lamb and mutton	1.4	1.5	0.1	0.1	3.1	1.0	2.4	3/	3/	3.4		
Pork excluding lard	3/	0.4	0.2	0.5	1.1	0.6	1.7	5.2	7.6	15.1		
All meat	117.9	131.1	53.2	40.4	342.6	82.0	66.1	60.8	80.4	289.3		

1/ Does not include shipments for military civilian feeding. Shipments to Territories as reported (see footnote 2).

2/ Only Territories for which shipment data are available. Data for Alaska and Hawaii have not been reported since March 1948.

3/ Less than 50,000 pounds.

Selected Price Statistics for Meat Animals 1/

Item	Unit	January-July		1949		1950	
		1949	1950	July	June	July	July
		100 pounds	100 pounds	100 pounds	100 pounds	100 pounds	100 pounds
Cattle and calves							
Beef steers, slaughter		Dollars per:					
Chicago, Choice and Prime	100 pounds	26.77	32.71	27.02	31.34	31.63	
Good	do.	24.79	28.59	25.96	29.99	30.62	
Medium	do.	22.86	25.95	23.46	27.86	28.68	
Common	do.	20.56	22.91	19.27	24.68	24.16	
All grades	do.	24.59	27.75	25.86	30.13	30.67	
Omaha, all grades	do.	23.58	26.37	24.95	28.70	29.46	
Sioux City, all grades	do.	23.39	26.59	25.00	29.02	29.74	
Cows, Chicago							
Good	do.	19.54	21.13	19.60	22.98	23.63	
Common	do.	21.26	18.15	21.68	19.83	20.43	
Canner and Cutter	do.	315.18	15.67	314.39	16.82	18.07	
Vealers, Good and Choice, Chicago	do.	28.10	30.09	24.98	29.22	30.10	
Stocker and feeder steers, Kansas City	do.	22.66	25.76	20.62	27.44	27.48	
Price received by farmers							
Beef cattle	do.	20.40	22.00	20.00	23.70	24.50	
Veal calves	do.	23.74	25.03	22.10	25.90	26.70	
Hogs							
Barrows and gilts							
Chicago							
160-180 pounds	do.	20.69	18.21	21.89	19.69	23.16	
180-200 pounds	do.	20.91	18.69	22.22	20.30	24.09	
200-220 pounds	do.	20.86	18.77	22.30	20.39	24.22	
220-240 pounds	do.	20.57	18.60	22.05	20.21	24.04	
240-270 pounds	do.	20.05	18.22	21.42	19.74	23.39	
270-300 pounds	do.	19.33	17.71	20.31	18.05	22.39	
All weights	do.	19.96	18.19	21.51	19.68	23.55	
Seven markets 4/	do.	19.82	18.17	21.28	19.65	23.50	
Sows, Chicago	do.	16.31	15.41	16.65	16.35	18.97	
Price received by farmers	do.	18.93	17.31	18.60	17.80	21.50	
Hog-corn price ratio 5/							
Chicago, barrows and gilts	do.	14.7	12.8	15.3	13.2	15.1	
Price received by farmers, all hogs	do.	15.7	13.6	14.9	13.1	14.9	
Sheep and lambs							
Sheep							
Slaughter ewes, Good and Choice, Chicago	do.	11.45	11.67	9.16	8.99	9.32	
Price received by farmers	do.	9.87	10.52	9.27	10.30	10.40	
Lambs							
Slaughter, Good and Choice, Chicago	do.	27.03	26.26	24.98	27.65	27.37	
Price received by farmers	do.	23.67	23.70	22.80	24.80	24.60	
All meat animals							
Index number price received by farmers							
(1910-14=100)		320	324	316	342	371	
Meat							
Wholesale, Chicago		Dollars per:					
Steer beef carcass, Good, 500-600 pounds	100 pounds	40.14	45.26	42.51	48.49	49.50	
Lamb carcass, Good, 30-40 pounds	do.	51.72	6/50.97	48.94	6/53.40	6/53.88	
Composite hog products, including lard							
72.84 pounds fresh	Dollars	21.84	19.63	22.51	20.89	24.31	
Average per 100 pounds	do.	29.98	26.95	30.90	28.68	33.37	
71.32 pounds fresh and cured	do.	25.23	22.72	25.80	24.01	27.62	
Average per 100 pounds	do.	35.38	31.86	36.17	33.67	38.73	
Retail, United States average	Cents						
Beef, Good grade	per pound	65.3	70.7	67.7	75.5	77.9	
Lamb	do.	68.9	68.4	72.4	74.0	73.0	
Pork, including lard	do.	41.4	38.5	41.3	40.8	43.7	
Index number meat prices (BLS)							
Wholesale (1926=100)		223.9	226.9	227.3	241.4	260.1	
Retail (1935-39=100)		227.6	233.6	234.4	248.4	259.0	

1/ Annual data for most series published in Statistical Appendix to this Situation, February 1950.

2/ Cutter and Common.

3/ Average for prices of Cutter and Common, and of Canner (Low Cutter).

4/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, and S. St. Paul.

5/ Number bushels of corn equivalent in value to 100 pounds of live hogs.

6/ Prices of 45-50 pound lamb carcasses for months of 1950 except January.

Selected marketing, slaughter and stocks statistics for meat animals and meats 1/

Item	Unit	January-July		1949	1950		
		1949	1950		July	June	July
							August
Meat animal marketings							
Index number (1935-39=100)		130	132	119	126	119	
Stocker and feeder shipments to							
8 Corn Belt States :1,000							
Cattle and calves:head		788	956	164	160	152	
Sheep and lambs: do.		793	902	144	166	153	
Slaughter under Federal inspection							
Number slaughtered							
Cattle: do.		7,428	7,293	1,090	1,066	1,070	
Calves: do.		3,686	3,412	801	485	443	
Sheep and lambs: do.		6,540	6,632	976	1,019	960	
Hogs: do.		28,296	31,178	3,165	4,154	3,314	
Percentage sows:Percent		17	---	40	27	---	
Average live weight per head							
Cattle:Pounds		985	987	964	974	973	
Calves: do.		188	193	223	209	226	
Sheep and lambs: do.		94	98	90	90	91	
Hogs: do.		255	248	282	264	278	
Average production							
Beef, per head: do.		544	543	530	539	535	
Veal, per head: do.		106	108	125	117	127	
Lamb and mutton, per head: do.		44	47	42	43	44	
Pork, per head 2/: do.		142	139	157	146	156	
Pork, per 100 pounds live weight 2/ : do.		56	56	56	55	56	
Lard, per head: do.		38	37	42	40	40	
Lard, per 100 pounds live weight ...: do.		15	15	15	15	14	
Total production	:Million:						
Beef:pounds		4,023	3,943	576	572	570	
Veal: do.		387	366	62	57	56	
Lamb and mutton: do.		289	308	41	44	42	
Pork 2/: do.		4,017	4,311	495	605	615	
Lard: do.		1,082	1,138	134	164	153	
Total commercial slaughter 3/							
Number slaughtered :1,000							
Cattle:head		10,122	---	1,467	1,462	---	
Calves: do.		6,220	---	837	814	---	
Sheep and lambs: do.		7,219	---	1,083	1,121	---	
Hogs: do.		34,501	---	3,790	4,960	---	
Total production	:Million:						
Beef:pounds		5,246	---	743	753	---	
Veal: do.		660	---	103	97	---	
Lamb and mutton: do.		317	---	45	48	---	
Pork 2/: do.		4,803	---	578	709	---	
Lard: do.		1,220	---	149	185	---	
Cold storage stocks first of month							
Beef: do.		---	---	74	72	60	60
Veal: do.		---	---	7	6	7	6
Lamb and mutton: do.		---	---	7	7	7	6
Pork: do.		---	---	420	492	469	396
Total meat and meat products 4/: do.		---	---	612	674	633	548

1/ Annual data for most series published in Statistical Appendix to this Situation, February 1950.

2/ Excludes lard.

3/ Federally inspected, and other wholesale and retail.

4/ Includes stocks of sausage and sausage room products, canned meats and canned meat products, and edible offals, in addition to the four meats listed.

